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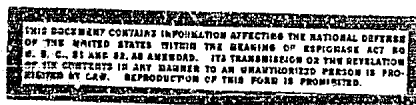
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REGISTRATION OF HUNGARIAN STATE ECONOMIC ORGANS

Instruction No 3,451-31/1952 of the Ministry of Finance, also published in the Collection of Resolutions No 9/1952, contains the following provisions:

Implementing Section 8 of Decree No 199 of the Council of Ministers, dated 6 August 1950, concerning the registration of state enterprises, the following procedure is placed into effect:

The purpose of registering state economic organs [henceforth organs] is to keep a record of state enterprises and other economic organs (centers, trusts, associations, etc.) and to assure that establishment, merger, or dissolution of these organs is carried out according to the law.

The following organs are subject to registration: state enterprises; enterprises in which the state has an interest of 50 percent or more; industrial, commercial, or other centers; trusts; associations; and economic bureaus (gazdasagi irodak). These organs are subject to registration, whether they are operating under the direct or indirect supervision of a ministry or local council.

The establishment, merger, or dissolution of an organ subject to registration becomes valid only after registration and no organ is permitted to begin operations prior to registration. The Hungarian National Bank is not permitted to open an account or credit for an organ subject to registration prior to receipt of formal notification from the appropriate authority. The Hungarian Investment Bank may grant loans to an organ only if the organ proves registration by a certificate issued by the appropriate authority.

Organs are registered with the Ministry of Finance and the finance departments of the executive committees of megye councils (or Budapest city council), respectively. Registration is carried out by the Ministry of Finance in the case of industrial, commercial, and other centers and state enterprises operating under the supervision of such centers; trusts and associations operating under the jurisdiction of a ministry and state enterprises supervised by such

- 1 -

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trusts and associations; state enterprises and other organs under the direct supervision of a ministry; and other enterprises in which the interest of the state amounts to 50 percent or more.

The following organs will be registered with the megye council (or Budapest city council) in whose area the seat of the organ is located: (1) trusts and associations operating under the jurisdiction of local councils, as well as state enterprises supervised by these trusts and associations; (2) state enterprises operating under the direct jurisdiction of local councils.

Registration data concerning a state organ must be furnished to the registering authority by the agency which proposes its establishment, merger, or dissolution. If the establishment, merger, or dissolution of an organ is proposed by the National Economic Council, registration data must be furnished by the ministry under whose jurisdiction the organ in question operates.

Registration data must be furnished for each organ separately and must be submitted to the registration authorities by the legal division or secretariat of the ministry concerned. The legal division or secretariat also keeps a register of organs in its files.

Registration authorities are permitted to release information about registered organs to government and administrative agencies, institutions, and other organs on request, provided that the information concerns matters within the jurisdiction of the requester. Others may obtain information about registered organs by furnishing proof that the information is important to the requester.

Organs subject to registration are required to report in writing the names, addresses, and positions in the organ in question of attorneys-in-fact. Revocation of power of attorney must also be reported in writing. A record of the manager, as well as of the attorneys-in-fact, must be kept in a book of representative. (képviselői könyv) by an employee designated by the manager. The book of representatives must be certified, prior to use, by the registration authority.

In case the name of the organ is changed, it is not necessary to replace the book of representatives. The new name of the organ will be recorded on the cover of the old book over the signature of the manager. The book must be retained 10 years after the date of the last entry. In case the organ is dissolved, its legal successor will take over the book for retention.

A duplicate of the document containing the appointment or dismissal of the manager of an organ must be transmitted to the Hungarian National Bank. The manager's signature, certified by the appointing agency, must be attached to the duplicate document on the form provided for this purpose by the Hungarian National Bank. It is not permissible to include in one single document the appointment or dismissal of the managers of several organs.

If the manager is appointed by a minister under whose jurisdiction the organ in question is operating, the first and second copies of the appointing document must be signed by the minister, his deputy, or chief of division. If the appointment is made by a local council, the document must be signed by the chairman of the executive committee or his deputy. The same procedure applies to the certification of the manager's signature. The Hungarian National Bank must be notified promptly, on the form provided for this purpose, of the appointment of attorneys-in-fact, as well as of the cessation of powers of attorney. Failure of, or delay in, registration is subject to a fine of 3,000 forints.

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- 2 -

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